

A STUDY ON HOW TO IMPROVE THE SALES OF SABAH
FOREST INDUSTRIES SDN. BHD PAPER

TINGGIH SULOG
2003111634

BACHELOR OF BUSINESS ADMINISTRATION (HONS)
MARKETING FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA KOTA KINABALU

APRIL 2007

TABLE OF CONTENT

ACKNOWLEDGEMENT

Thank for GOD for HIS blessing and helping in me until this project had been completed.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank all who have helped me in making this research project a reality. First and foremost, I owe gratitude to e-PJJ of UiTM SABAH for awarding me the grant to carry out this project.

I would like to thank to the respondents of my research for their kind cooperation.

My gratitude also goes to my advisor Encik Ismail Abdul Rahim for his kind assistant and guidance to complete this project.

Thank to Mdm.Roslind for typing, I also owe my gratitude to the staff of SFI at Technical services department for their kindness and understanding, in helping and allowing me to use some reference while carrying this project.

Last but not least, my utmost gratitude to my beloved wife, sons and daughters for their supporting in completing this project.

1.4 Significance of the study 3

1.5 Scope of the study 4

1.6 Research Questions 5

1.7 Limitation of the study 4

1.8 Definition of key terms 5-6

2. LITERATURE REVIEW 7

2.1 Company Overall background 7-10

2.2 Company Vision and Mission ii

TABLE OF CONTENT

ACKNOWLEDGEMENT	ii
TABLE OF CONTENTS	iii
LIST OF FIGURES	vii
LIST OF CHARTS	viii
ABSTRACT	x
CHAPTERS	
1. INTRODUCTION	1
1.1 Background of the study	
1.1.1 Trend of development	1
1.1.2 Malaysia's Paper Industry	2
1.2 Problem statement	3
1.3 Objectives of the study	3
1.4 Significance of the study	3
1.5 Scope of the study	4
1.6 Research Questions	4
1.7 Limitation of the study	4
1.8 Definition of the terms	5 - 6
2. LITERATURE REVIEW	7
2.1 Company Overall background	7 - 10
2.2 Company Visions and Missions	11

2.3	Company Organization Structure	13 – 14
2.4	Divisions and its Functions	15
	2.4.1 Forestry and Timber	15
	2.4.2 Integrated Timber Complex	15
	2.4.3 Pulp and Paper	15
	2.4.4 Material Division	18
	2.4.5 General Service Division	18
2.5	Production Flow	18
	2.5.1 Performance of paper production	22
2.6	Marketing Overview	23
	2.6.1 Definition of Marketing	23
	2.6.2 Evolution of Marketing	24
	2.6.3 Marketing Variables	25
	2.6.4 Marketing Mix Variable	26
	2.6.5 Marketing Environmental Variable	27
2.7	Marketing Management	27
	2.7.1 Introduction	27
	2.7.2 The Overall Marketing Strategy	30
2.8	Fundamental of strategy	31
	2.8.1 Defender and prospector	31
	2.8.2 The fundamental marketing style	31
2.9	SFI marketing approach toward Marketing Mix.	32

Abstract

This study tries to investigate in how to improve of SFI paper in market. The scope of this study is focused on retailer and wholesaler which located in Sipitang, Beaufort of Sabah and Lawas of Sarawak. This study tries to investigate the retailer and wholesaler feedback as part of SFI customer. This study also tries to investigate what type of marketing mix the most preferred and what are the steps to be taken in order to improve SFI paper particularly. The objective of this study is to find the better way for SFI to sales their paper product. Primary data were the main instrument used to collect data in conducting this research. From the total population, the research had managed to collect about 70% as the sample. The response was quiet okay. For this reason it is expected to indicate in how SFI sales improve. A simple frequency analysis was used to analyze those data in order to answer the objective and research question. It can be said that mostly retailer and wholesaler in Sipitang, Beaufort and Lawas prefer paper with good quality. In term of pricing the customer mostly prefer if SFI able to lower down than competitor. In term of distribution the customer prefer directly purchased from SFI. This is because according to them cost is the main factor that influence their distribution decision. In term of promotion mix customer mostly prefer sales promotion in reachable point. There were six variables that this research had focused on. This is because those variables are considered as the most important variables used to develop a company's product strategy. Those sub variables are product quality, product feature, product design, product packaging and product services and warranty. Among the six variables, it was found that quality is considered as the most important factor in developing product strategy. To be more competitive it was recommended if SFI review marketing practices from time to time, also recommended if SFI to find out other type of product to diversify their business activities.